

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of	§	
	§	
In the Matter of Accounting Safeguards	§	CC Docket No. 96-150
Under the Telecommunications	§	
Act of 1996:	§	
	§	
Section 272(d) Biennial Audit Procedures	§	

Comments of the Staff of the Indiana Utility Regulatory Commission

On October 31, 2002, the Federal Communications Commission (FCC) released a Public Notice entitled “Enforcement Bureau Seeks Comments on SBC Communications Section 272 Compliance Biennial Audit Report in CC Docket 96-150.” In this Notice, the FCC requests comment regarding the report.

The Indiana Utility Regulatory Commission (IURC), having regulatory authority over public utilities within our jurisdiction in Indiana, hereby concurs, with one exception, in the comments filed on this issue by the Public Service Commission of Texas. We do not concur in the portion of the comments dealing with the Texas Commission’s concerns about the independence or neutrality of Ernst & Young.

While SBC has not yet filed a Section 271 application for Indiana with the FCC, SBC's stated desire to do so in the coming months, as well as IURC Staff's membership and participation in the Joint Oversight Team (JOT), gives the IURC a strong interest in the adequacy, accuracy, reliability, completeness, and timeliness of the Ernst & Young audit report in question, as this report may set a precedent for future audits.

We believe the Texas PUC has raised legitimate concerns about the timeliness of certain SBC responses to Ernst & Young and certain audit reporting information provided by Ernst & Young to the FCC and the JOT, as well as the timeliness of the FCC's action to deny SBC's request for confidential treatment. In addition, the IURC agrees with the Texas PUC's request that in the next biennial audit, which is already underway, the FCC enforce a more thorough audit of the Section 272 requirements and that the findings be fully explained in the final audit report.

Respectfully Submitted,

Karl Henry

Federal Affairs Specialist - Telecommunications

Pamela Taber

Assistant Director of Telecommunications